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Security Council

Fifty-fifth Year

Provisional

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Tuesday, 9 May 2000, 10.30 a.m.

New York

President:	Mr. Wang Yingfan	(China)
Members:	Argentina	Mr. Listre
	Bangladesh	Mr. Chowdhury
	Canada	Mr. Duval
	France	Mr. Doutriaux
	Jamaica	Miss Durrant
	Malaysia	Mr. Hasmy
	Mali	Mr. Keita
	Namibia	Mrs. Ashipala-Musavyi
	Netherlands	Mr. Hamer
	Russian Federation	Mr. Gatilov
	Tunisia	Mr. Jerandi
	Ukraine	Mr. Yel'chenko
	United Kingdom of Great Britain and Northern Ireland	Mr. Eldon
	United States of America	Mr. Cunningham

Agenda

The situation in Bosnia and Herzegovina

Briefing by Mr. Wolfgang Petritsch, High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina

00-42325 (E)

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The meeting was called to order at 11.30 a.m.

Adoption of the agenda

The agenda was adopted.

The situation in Bosnia and Herzegovina

Briefing by Mr. Wolfgang Petritsch, High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina

The President (*spoke in Chinese*): In accordance with the understanding reached in the Council's prior consultations, and in the absence of objection, I shall take it that the Security Council agrees to extend an invitation under rule 39 of its provisional rules of procedure to Mr. Wolfgang Petritsch, High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina.

There being no objection, it is so decided.

I invite Mr. Petritsch to take a seat at the Council table.

The Security Council will now begin its consideration of the item on its agenda. The Security Council is meeting in accordance with the understanding reached in its prior consultations.

Members of the Council have before them a letter dated 4 May 2000 from the Secretary-General addressed to the President of the Security Council, transmitting a letter dated 3 May 2000 from the High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina, enclosing his report, document S/2000/376.

At this meeting, the Security Council will hear a briefing by Mr. Wolfgang Petritsch, High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina.

I call on Mr. Petritsch.

Mr. Petritsch: It is with great pleasure that I am here once again to address the Council and to present the sixteenth report on developments in Bosnia and Herzegovina. This report — the second since I was endorsed as the High Representative for Bosnia and Herzegovina by the Security Council on 3 August 1999 — covers a six-month period from last November. As in November, I think it best not to dwell in any detail on the substance of the report. Members can refer to the report itself for this.

Broadly speaking, progress in Dayton implementation is as slow and painful as ever, but it is working. I believe that it is more important than ever that the international community stick to the task. It is vital that our successes be consolidated.

I will give an assessment of the more significant recent successes and failures of Dayton implementation a little later on. But I would like, first of all, to give an indication of how I see our work developing in the future in Bosnia and Herzegovina.

My office, as members are perhaps aware, is now deep in preparation for the Brussels Peace Implementation Council (PIC) on 23 May. This will be the first full PIC since Madrid in December 1998. The PIC Steering Board met in Lisbon at the end of last week. There was broad consensus on the strategy I outlined to them at that time. I would like to hear what members have to say about this strategy, too.

In the past, Peace Implementation Council meetings have tended to take something of a scatter-shot approach to the problems of Bosnia and Herzegovina. There have been so many problems and the international community has striven to tackle all of them head on. This year's PIC, however, will be different. It has to be, because the international community no longer has the resources for the approach adopted in the past. It is therefore imperative that diminishing resources be concentrated to maximum effect.

Time is running out for international engagement in Bosnia and Herzegovina. Donor fatigue has set in. The $5.1 billion, four-year reconstruction aid package pledged after Dayton is now all spoken for. This spring, the Stabilization Force has reduced its troop numbers by nearly a third. That is why I focus on just three key areas of peace implementation. If we succeed in these areas, I firmly believe, reform in others will follow.

There are three areas: first, economic reform; secondly, the acceleration of the return of refugees and displaced persons; and thirdly, the consolidation of institutions, especially those at the state level.

The economy first. As I am sure members know, Bosnia is still far too dependent on international aid,

which in turn is steadily diminishing. If Bosnia is to have any hope of a secure future, the economy must become self-sustaining — and fast. This is still a poor country and, without growth, it is likely to become poorer still. Last year in the Republika Srpska — still by far the poorer entity of the two — the average monthly salary still languished at $100 a month.

Jobs and a secure economic future are increasingly important issues for the ordinary citizens of Bosnia and Herzegovina. That is of far more concern to them than the diet of ethnic separatism that is still being fed to them by the nationalist parties. That is why economic aspiration must be nurtured and cherished. Economic reform is one of the most potent weapons in our armoury in the fight to reverse the evil effects of the 1992-1995 war.

What is needed is investment, both domestic and foreign. The trouble is that the system governing the country's economy is to a large extent the same as it was in the days of communism, despite international pressure. Investors, unsurprisingly, are discouraged. Bosnia and Herzegovina's industry is still geared to the old command economy model. It largely comprises giant, state-run concerns — mines, steelworks and the like. They are completely out of step with the market requirements of the new millennium.

The Government's urgent task is to create an enabling environment so that investors can invest without going through a maze of bureaucracy. Most of all, we need to encourage small and medium-sized enterprises, to which the workforce in that country, most economic observers agree, is well-suited.

But the present system simply stifles enterprise. Perhaps the worst example of communist-era bureaucracy are the so-called "payment bureaux", through which all commercial and public bank transfers have to pass and which levy a substantial sum along the way. The payment bureaux are totally non-transparent and have a stifling effect on business of all sizes. They are also a cash cow for the nationalist parties, which exploit the system remorselessly. Consequently, we have agreed that the payment bureaux will be abolished in the course of this year.

The lack of a reliable banking system is another important obstacle to private investment, closely connected to the payment bureaux system. There are currently over 50 banks in Bosnia and Herzegovina, but not one of them can play the intermediary role necessary in a market economy. Many of the public-sector banks may be on the verge of bankruptcy due to their loans to loss-making publicly-owned enterprises. The numerous private banks are too small to provide the working capital necessary to kick-start enterprise. Overhauling the banking sector should encourage the participation of foreign banks and thus the necessary injection of capital.

Another key to modernizing the Bosnian economy is privatization. The process is already well under way, although the first stage — the opening up of the books of the big state-sector companies to independent audit prior to evaluation — has met with fierce political resistance. Perhaps this was inevitable, since the state companies are yet another source of funding for the established nationalistic parties. Such arrangements must not be tolerated. We have to start protecting the economic sphere from this kind of old-style intrusion.

I wish to turn now to the second of my strategic priorities: the acceleration of the refugee return process. Before I go any further, I should like to take this opportunity to extend a warm thank you to the United Nations and its agencies for their continued sterling work in this sector, in particular through the Office of the United Nations High Commissioner for Refugees (UNHCR).

The contribution of these agencies should not be underestimated. In this reporting period, I have had a chance to get out into the field more and see for myself the often unsung work that the United Nations agencies are doing there. I can assure the Council that I am thoroughly impressed. In the course of these trips to the field I have had a chance to speak to many refugees and displaced persons and I am more convinced than ever that return remains the number one concern among the public at large.

The issue is highly emotive. Four and a half years after the war, some 800,000 people are still internally displaced throughout Bosnia and Herzegovina. A further 300,000 are still refugees abroad. Facilitating their return is the number one means of normalizing life in Bosnia and Herzegovina.

Last fall I took two important measures designed to accelerate the return process.

First, I imposed a package of reforms to the legislation governing property return in the two entities. This removes the bureaucratic hurdles to property return,

which were being mercilessly exploited by politicians on all sides whose agenda was to obstruct the implementation of Dayton.

Secondly, I dismissed 22 public officials from across the country who had a proven track record of obstructionism, particularly of annex 7 of Dayton, the annex governing refugee return.

Now that spring is here and the refugee return season is properly under way, these two measures are beginning to bear fruit. So far this year there have been more than twice as many returns as there were in the same period in 1999. All the indications are that this welcome trend will continue. Granted, there is still a long way to go. Granted also that obstruction of the returns process continues in some areas.

But in general we have every reason to be encouraged. We are making headway in a task that was once thought impossible by naysayers. The ultimate goal, refugee return, which has become self-sustaining, is no longer merely gold at the end of the rainbow; it has become an achievable reality.

I reiterate: these successes would not have been possible without the tremendous support and expertise of the UNHCR, nor without the security provided in many, many instances by the United Nations International Police Task Force (IPTF).

I will turn now to the third of my strategic priorities: the consolidation of the common institutions.

This is really about state-building. If Bosnia and Herzegovina is ever to join the European family of nations — a family in which I firmly believe Bosnia truly belongs — then it must become a cohesive State, with central State structures that exercise real power. This includes a fully independent judiciary, without which long-term economic development and effective protection of individual liberties will be impossible. We are actively promoting the rule of law at the State and entity levels. For instance, we currently have a major public affairs campaign to promote respect for property rights as part of our efforts to accelerate returns.

I would like to commend the efforts of the United Nations Judicial System Assessment Programme (JSAP), which has worked tirelessly at its task of monitoring and assessing the existing judicial system and has participated in the developments of reforms to date. Just a few days ago, on 5 May, the Peace Implementation Council Steering Board met with Special Representative of the Secretary-General Jacques Paul Klein of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) in Lisbon to discuss the crucial role of JSAP for the reform of this essential pillar of civil society.

Far too often in the past, inter-ethnic cooperation at the State level has been blocked by the nationalist bickering that, as we know all too well, has become a byword for Balkan political discourse.

Last November, as you may recall, the Members of the Presidency of Bosnia and Herzegovina made a declaration before the Security Council, pledging themselves, *inter alia*, to the establishment of a State Border Service. The arguments for such an agency are very clear. The citizens of any modern state have the right to expect their borders to be protected. When borders are as porous as those of Bosnia and Herzegovina have been in the past, the state treasury loses millions, because porous borders are an open invitation to graft and corruption in the sphere of customs and excise.

The State Border Service was seen at the time as an acid test of the Members of the Presidency's commitment to the concept of a functioning state — a concept to which they have all too often paid mere lip service.

Sad to say, the Presidency failed the test. The bickering began the moment they got home. In the end, I was forced to exercise my powers and impose the State Border Service. Not even a solemn declaration before the Security Council, it seems, could hold them to it.

Such disregard for the international norms and standards of State leadership was shown also with regard to other commitments the Presidency has entered into with the Security Council in the New York Declaration. The much-fought-over draft election law experienced the same fate as the State Border Service law. The Presidency did pass the draft election law to the Parliament as promised. But when it came to the vote, the Presidency Members were not prepared to influence their respective party members. They just stood by and watched as the draft law was voted down.

The New York Declaration committed the Presidency to also resolve another central institutional crisis, although one of a different kind, concerning the State Council of Ministers. Their efforts at resolving this crisis have been only slightly more encouraging.

Since 1997, the chairmanship of the Council of Ministers, which equates to the post of prime minister, has rotated. This compromise was probably necessary in order to get the institution formally working in the first place. Last year, however, the Constitutional Court ruled that the rotational and ethnically defined arrangement was unconstitutional and would have to be changed. The deadline for agreement on a new arrangement came and went. The result? This common institution, central to the workings of democracy in Bosnia and Herzegovina, fell into abeyance in February this year.

Almost unbelievably, the issue is still far from being satisfactorily resolved. The new law on the Council of Ministers, based on a proposal by the Presidency, follows the old patterns of ethnic parity and rotation. It remains to be seen whether the law will stand the test of the Constitutional Court.

The Members of the Presidency have given us yet another unedifying display of the kind of politics that they practice best. The ethnic agenda has once again taken precedence over what is best for the people of Bosnia and Herzegovina. For example, the primary principle guiding reorganization of the ministries was the ease with which they could be divided up among the three ethnicities.

All this merely confirms that the leaders of Bosnia and Herzegovina are still far from ready to take the responsibility that they should for their country.

Last November, I outlined to the Council my concept of "ownership". In the affair of the Council of Ministers, I have deliberately kept out of the fray, stressing the strong desirability of a solution arrived at purely by domestic consensus. The results are, I freely admit, a little depressing at first sight, although I believe that the policy of insisting on ownership is still the right one. Bosnia and Herzegovina is, and must always remain, their country.

But we will continue to press — by whatever means, including my powers to impose, if necessary — for the strengthening of the common institutions and an extension of their role in the life of the country. They are too important for the future to be left entirely to their own devices.

There are, I am pleased to say, signs that my central message, the establishment of the concept of ownership, is starting to take root in the hearts and minds of the people of Bosnia and Herzegovina. The result of the municipal elections, held across the country on 8 April, was one important sign.

Given the understandable scepticism expressed by some parts of the international community before the elections, two important points need to be made. First, the elections were peaceful and routine. They were run skilfully by the Organization for Security and Cooperation in Europe, while both the IPTF and the Stabilization Force played important roles in providing security at the polls. Secondly, the political landscape in Bosnia and Herzegovina is now more pluralistic than it was before.

I am much encouraged by this development: political pluralism is a sure sign that democracy in Bosnia and Herzegovina is maturing. It is also a sign that the voters are beginning to think for themselves, and to think about how politicians who seek to represent them will represent their interests. This does not mean the narrow, sectarian interests of the old ethnic ways of thinking, but the everyday interests of the ordinary public — issues like housing, employment, education and infrastructure.

The most significant shift of power was in the Bosniac areas, where the Social Democratic Party (SDP) made substantial ground at the expense of the Party of Democratic Action (SDA). This is important, because parties like the SDP — a modern, relatively multi-ethnic party — hold the keys to the country's future.

Only with leadership from modern, civic-orientated, tolerant political parties can Bosnia and Herzegovina hope to integrate with Europe. Based on the results of the municipal elections, the SDP is now the strongest party in the Federation. We expect it to do even better in future elections.

It is true that in the Bosnian Croat areas the Croatian Democratic Union (HDZ) still dominates, but it is worth noting that voter turnout in those areas was down to around 40 per cent — far lower than in previous elections, and also much lower than the national average.

This indicates that Bosnian Croat voters are growing weary of the HDZ, but have not yet found an attractive alternative. The HDZ, already shaken by the defeat of its parent party in Croatia earlier this year, seems to have taken this message to heart. It is now in the midst of a major restructuring, which we hope will lead to more cooperative officials at the municipal and cantonal levels in the future.

In the Republika Srpska, the exclusion of the Serbian Radical Party, the SRS, was completely successful. Its threats of physical violence and voter boycott proved to be a bluff. Even the arrest by the Stabilization Force of Momcilo Krajisnik, the one-time Serb member of the Presidency, only a few days before the elections, had little impact on voter behaviour.

Interestingly enough, although the Serbian Democratic Party (SDS) did well, it did not pick up as many SRS votes as it might have expected. In 1997, the SDS and SRS together won 44 per cent of the vote. Yet in this election, the SDS only won 37 per cent.

So pluralism is also growing in the Republika Srpska. The rise of a new party — the Party of Democratic Progress (PDP), led by a respected economist from Banja Luka, Mladen Ivanic — is significant, although we will have to see the PDP in action before blowing a trumpet.

Overall, I would say that while the nationalist parties are still strong, their grip is weakening. Our reform of the media, the professionalization of the police, our insistence on economic reform — all of these things are steadily eroding their sources of power.

Let us not lose sight of what this means. The defeat of the nationalist agenda in the political discourse of Bosnia and Herzegovina will have ramifications not just for that country, but for the entire Balkan region.

Bosnia and Herzegovina, we should always remember, is in the heart of the Balkans. If — by reforming the economy, by accelerating refugee return and by strengthening the common institutions — we can help the people of Bosnia and Herzegovina live peacefully with one other again, we can achieve that noble goal elsewhere in the Balkans, too.

I sense that the tide has already turned against the forces of nationalism in the Balkans. The defeat of the HDZ in Croatia earlier this year was convincing proof. Slobodan Milosević is increasingly isolated in Belgrade. The tide is turning in Bosnia and Herzegovina, too, although less dramatically. It must continue to be pushed.

It must continue to be pushed because the price of failure is too high. If we fail in our project in Bosnia and Herzegovina, then ethnically pure mini-States are likely to dominate South-East Europe in the twenty-first century. It is imperative that we persevere.

Dayton is working in Bosnia and Herzegovina. The remedy we are administering — our adherence to the principle of multi-ethnicity and the reversal of wartime ethnic cleansing, together with our insistence on real political and economic reform — is the right one.

The remedy can work elsewhere too — in Kosovo, for instance. The international community's patience has been sorely tried in that province, but Bernard Kouchner should not be discouraged. Success in establishing peace, as we have learned the hard way in Bosnia and Herzegovina, takes a great deal of time.

Believe me when I say that in Bosnia and Herzegovina there is light at the end of the tunnel.

The President (*spoke in Chinese*): I thank Mr. Petritsch for his comprehensive briefing.

I now give the floor to the members of the Council.

Mr. Chowdhury (Bangladesh): The thorough, engaging and very sobering presentation which has just been made by Mr. Wolfgang Petritsch forces me to set aside my prepared speech. I believe that this is a very special presentation that Mr. Petritsch has made. His thoughts are very poignant and full of implications, not only for Bosnia and Herzegovina but also for the whole region.

On 22 March we had an open briefing on Bosnia and Herzegovina, at which of course we did not have the privilege of listening to Mr. Petritsch, but we had a fairly good exchange on the current issues regarding that country. We very much appreciate Mr. Petritsch's briefing. I will touch on a few points from his speech. But we also appreciate the detailed report, the printed report which Mr. Petritsch presented to the Secretary-General for circulation to us on the implementation of the Peace Agreement on Bosnia and Herzegovina.

The appearance before the Security Council last November of the joint Presidency and the reaffirmation in the New York Declaration of the commitment to the Dayton Peace Accord were significant steps. But we are dismayed to hear from the High Representative that the implementation of the Declaration has been disappointing. The chief reason appears to be a lack of sufficient political will and motivation. As Mr. Petritsch has said, they are far from ready for the implementation of that Declaration. We are disappointed to hear that, but I believe that, in Bosnia, that is the reality.

We are very pleased that at one point the High Representative imposed the State Border Service on the region so as to establish law and order.

The pace of the implementation of the Dayton Peace Accord needs to be accelerated, and we hope that our discussion today will produce some guidelines in that direction. Much of the success of the efforts will depend upon the seriousness of the authorities, as we have just mentioned. Compliance and active participation by all will determine, to a large extent, how much political influence we — the Security Council, and the international community in general — will be able to exert, and how keen our involvement will be in the reconstruction efforts in Bosnia and Herzegovina. Here, we take full account of Mr. Petritsch's mention of the donor fatigue setting in with regard to Bosnia and Herzegovina. We also agree with him that it is imperative that diminishing resources be concentrated to maximum effect. I think that that is a very important point, and we are very pleased to hear about the three areas that he has identified: economic reform, the return of refugees and internally displaced persons and the consolidation of the institutions. I believe that this prioritization of focused action is very important, and I would like to support him fully in that regard.

We have noted with keenness the initiatives that the High Representative is taking to boost economic activities in Bosnia and Herzegovina. His office has already taken laudable initiatives in drafting laws on restitution, various privatization schemes, the investigation and prosecution of corruption cases and privatization and reform in the banking sector, which are worth noting and should be appreciated. We are also pleased to note that continued improvements have been seen in Bosnia and Herzegovina in the implementation of the decisions of the Human Rights Chamber and the recommendations of the Ombudsperson. We urge the entities, which are still being slow in implementing recent decisions of the human rights institutions, to redouble their efforts for compliance. We also note from the report that efforts to develop the capacity of civil society, including non-governmental organizations, to address human rights issues have continued.

We are happy to note that, as a result of the municipal elections on 8 April, in Bosnia and Herzegovina, as the High Representative has said, the political landscape is perceived to have become much more pluralistic, and we welcome that.

On the subject of refugees and internally displaced persons, we are very happy that decisive action has been taken by the High Representative and that the issue of refugees and internally displaced persons and of their return has become what he calls an achievable reality. We are very happy to learn about the collaboration of the Office of the United Nations High Commissioner for Refugees and the United Nations International Police Task Force in that regard. We convey our appreciation to them for that.

The point made by the High Representative regarding the Government's task of creating an enabling environment, so that investors can invest without going through a maze of bureaucracy, is very important and should receive our full support.

I should like to make one final comment, regarding institution-building. We believe that this is a very important aspect to be borne in mind. As the High Representative said, Bosnia and Herzegovina must become a cohesive State with central State structures that exercise real power. We believe that the independence of the judiciary and the setting up of institutions to ensure the rule of law are very important in that regard.

Finally, I should again like to express our deep appreciation to the High Representative for all the initiatives that he has taken and for his very significant statement and report with regard to the implementation of the Dayton Accord.

Mr. Hamer (Netherlands): I thank the High Representative, Mr. Petritsch, for his comprehensive briefing. We commend him for his energetic leadership in helping Bosnia and Herzegovina emerge from the miseries of its recent past.

The High Representative's report makes it clear that Bosnia and Herzegovina is far from functioning as a unitary State, and it notes explicitly that the ruling political parties maintain opposing visions of the State in which they are supposedly united. What is particularly disturbing is that this unproductive attitude prevails unabated at the level of the collective Presidency. Indeed, the biggest problem facing the country now appears to be the continued failure of its leadership to take collective responsibility rather than behave like unreformed ethnically based warlords protecting their own, and their communities', narrow, entrenched interests.

The same lack of commitment on the part of the country's political leaders is manifest in the economic field. In fact, economic and political vested interests converge in such a way that political dividing lines are maintained in order to protect economic interests. This absence of real leadership is unproductive and stands in the way of the full implementation of the Dayton Peace Agreement in accordance with the aspirations of the vast majority of citizens of all ethnic groups. Economic reform is an urgent matter if efficient use is to be made of the assistance provided by the international community and lasting economic stagnation is to be avoided.

The third main area for Dayton implementation is the return of refugees and displaced persons. Their return is essential to sustainable peace in Bosnia and Herzegovina and remains a litmus test for the peace process. I should like to reiterate my Government's view that the question of the return of internally displaced persons and refugees, and assistance to those who are willing to return, should be given the highest priority by all authorities at all levels. In this context, the Netherlands wholeheartedly supports the approach to the return of refugees and internally displaced persons taken by the High Representative.

In summary, I would like to assure Mr. Petritsch that we subscribe fully to his three strategic priorities of economic reform, acceleration of returns and institutional strengthening. We agree that economic reform is the most potent weapon for changing the economic status quo, which currently consolidates the entrenched interests of the leaders. Finally, we are encouraged that the impoverished people of Bosnia and Herzegovina are realizing more and more that their leaders are keeping their own personal interests closer to heart than the interests of their people. Indeed, the election results can be seen as an indication that, at last, the political landscape may be changing.

Mr. Doutriaux (France) (*spoke in French*): The French delegation thanks the High Representative, Mr. Petritsch, for his briefing this morning.

Once again, we regret that States not members of the Council that are directly involved in the search for a settlement in Bosnia and Herzegovina, and in particular the presidency of the European Union, were unable to speak at today's meeting.

Mr. Petritsch can count on French and European Union support for his work to achieve what he has called ownership of the future of the country by local leaders and by the population of Bosnia and Herzegovina. Time is of the essence. International assistance cannot continue at current levels. Other matters demand attention and resources. Local actors must be encouraged to shoulder their responsibilities. This is no easy matter. The High Representative has had to resort once again to his broad powers to impose important legislation on which local leaders were unable to agree. There continues to be a dilemma between the need for the High Representative to impose reforms and his wish to make sure that the authorities understand the responsibilities they must shoulder. That is another reason why we should demonstrate our support for the High Representative and encourage him to act decisively, maintaining the necessary dialogue, to make progress in key areas he has identified.

With the High Representative's permission, I should like to offer a suggestion with respect to the preparation of future reports to the Secretary-General. It might be a good idea if he were to devote a portion of his reports to detailed analysis of a specific problem or theme.

Our priorities echo those that the High Representative has just outlined: to weaken the grip of the nationalist parties, to strengthen and improve the functioning of institutions, to create the context necessary for the economy to take off, and to promote the return of refugees and displaced persons.

With regard to refugees, the next few years will probably provide the last chance for meaningful action to promote return. Later on, refugee and displaced families will have been away from the homes in which they lived before the war for more than 10 years. Children will have grown up there. Return will have become more difficult. We must take advantage of the new situation, relating to such factors as the political changes in Croatia, to resolve the problem in a regional framework.

The recent municipal elections increased the pluralism of Bosnian political life, and we hope that this trend will be strengthened in the next elections. Media reform and action in the area of the financing of political parties should also contribute to this needed movement towards greater democracy. In our view, such movement would be encouraged also by the adoption of a permanent election law.

In the economic sphere, much remains to be done to overcome local authorities' resistance to reform. The upcoming ministerial meeting of the Peace Implementation Council ought to accord particular

importance to economic priorities and reform, including the political effect of such measures. Greater importance should be accorded to the creation of a common economic space by eliminating all barriers and harmonizing the legislation of the two entities. Privatization must resume; there have been scanty results here, and the High Representative must play a catalyzing role. The privatization of public services is especially important. This economic reform must be aimed, *inter alia*, at promoting foreign investment in Bosnia and Herzegovina. All of this must be accompanied by a strengthened fight against corruption and organized crime.

The strengthening of central structures has a certain impact on such desirable developments. A true State, a State based on the rule of law, must be established. Projects carried out in close cooperation between the United Nations Mission in Bosnia and Herzegovina and the Office of the High Representative are aimed at evaluating the judicial structure and establishing a border service.

The European Union and its member States, which are by far the largest contributors in Bosnia and Herzegovina, can play a decisive role. The European perspective involves conditions that must be respected. The "road map" and the agreements on stabilization and association are useful tools in that regard. In our view, that European perspective is a powerful lever for achieving the changes that are needed in Bosnia and Herzegovina.

Let me put three questions to Mr. Petritsch. In his view, would it be possible quickly to make a difference in some of the important areas that he has mentioned? Secondly, does Mr. Petritsch believe that the elections to be held in the autumn will gradually enable a new generation of politicians to come to power, encouraged by the results of the recent municipal elections? And finally, in the longer term, after those elections, what does the High Representative consider can be done to strengthen cohesiveness in Bosnia and Herzegovina?

Mr. Jerandi (Tunisia) (*spoke in French*): The delegation of Tunisia takes note of the reports of the Secretary-General and of the High Representative for the Implementation of the Peace Agreement in Bosnia and Herzegovina. We thank them for their efforts and for the excellent quality of the documents before us. The reports refer to significant progress in the implementation of the mandate of the United Nations Mission in Bosnia and Herzegovina (UNMIBH). Despite obstructionist manoeuvring and delays in the complete implementation of the mandate, the situation has continued slowly but surely to evolve.

Let me make some comments on the two reports. It deserves to be noted with satisfaction that municipal elections under the rules of the Provisional Election Commission took place in April without major incident. The notable success of multi-ethnic parties shows, in our view, that ethnic parity is gaining ground.

Tunisia welcomes the steps taken by UNMIBH in police restructuring, including through the creation of the Law Enforcement Personnel Registry and of the inter-entity Ministerial Consultative Meeting on Police Matters, and through the integration of specialized police forces. All these important reforms will change the ethnic composition of the entire police force and will help strengthen integration. Such steps are particularly crucial because they will help strengthen national identity, which is the only way to mobilize parties around a common goal.

My country is particularly interested in the way in which the judicial system is developing. The international community must support UNMIBH efforts to ensure the success of the judicial reform that is under way. Here, impartial and trustworthy justice will be of particular importance in consolidating a State based on the rule of law and in rejecting a culture of impunity.

We note that despite encouraging progress the situation in Bosnia and Herzegovina remains precarious. Questions of the return of refugees and displaced persons and of the lack of security are reasons for concern, requiring firm commitment on the part of the international community. In that connection, we note the activities of United Nations bodies in various spheres.

I welcome the initiative to set up a Bosnia and Herzegovina police contingent for a United Nations peacekeeping operation. The psychological importance of this contribution, with its powerful symbolic potential, cannot fail to benefit the image of a Bosnia and Herzegovina that is multi-ethnic and prosperous, and by extension that of the entire Balkan region.

Clearly, the commitment of the international community, the international financial institutions and the donors is a priority to which due attention should be given. There is no doubt that lasting peace can be established only if it has an equally lasting economic and social basis.

Mr. Gatilov (Russian Federation) (*spoke in Russian*): We are grateful to Mr. Petritsch for his informative briefing and report, which give a generally objective evaluation of the current situation in Bosnia and Herzegovina. We agree with his idea that the Bosnian State must finally stand on its own two feet, reject the mentality of dependence and learn to live not merely from donors' assistance, but rather on their own internal resources.

We feel that the main task in the Bosnian process today is to help make Bosnia and Herzegovina a unified, sustainable State consisting of two equal entities on the basis of full and consistent implementation of the Dayton Peace Agreement. We see no alternative to this for the foreseeable future. If we make a realistic assessment of the situation in Bosnia and Herzegovina, we cannot fail to recognize that, despite the series of achievements we have heard of today, serious problems remain, primarily in the creation of state structures and economic reform.

We must acknowledge that no major breakthroughs in the implementation of the Dayton Accords have been made to date. The situation is far from ideal in the implementation of the New York Declaration of the Presidency of Bosnia and Herzegovina, in particular the creation of a permanent secretariat for that body, the adoption of a law on elections, the introduction of a single national passport and the creation of a unified border service, all of which Mr. Petritsch addressed in great detail today. Despite the positive effects of the elections in Croatia, tension remains in the interaction between the Croatian and Bosnian entities of the Federation of Bosnia and Herzegovina.

Although moderate forces were successful in the municipal elections held in April in Bosnia and Herzegovina, the nationalist parties continue to dominate the political life of the country, which remains divided along ethnic lines.

We cannot fail to be concerned at the persistence of serious problems with regard to the return of refugees, primarily representatives of ethnic minorities, because of the strong resistance of local authorities. We hope that the forecasts for the return of refugees that we heard today from Mr. Petritsch will be realized in the near future.

Still urgent is the task of reviving a normally functioning economy. The economy continues to be held hostage to rampant corruption and an all-pervasive bureaucracy.

On the whole, despite what we feel to be positive efforts by the High Representative, the Bosnian power structures are still unable to assume primary responsibility for the fate of their country. As a result, Bosnia and Herzegovina continues to be governed by command administrative methods and, to a significant extent, remains a kind of protectorate of the international community, kept afloat by the international presence there and economic assistance from abroad.

In this connection, we feel that the efforts of the international community — and primarily those of the Bosnians themselves — must be mobilized if the Bosnian settlement is to be made sustainable and irreversible, on the basis of scrupulous and comprehensive implementation of the Dayton Accords, by strengthening the multi-ethnic statehood of Bosnia and Herzegovina through the development of democratic structures and the observance of the rights of all peoples of the country and through solid mutual reconciliation and the cohesive work of all Bosnian parties and securing the appropriate degree of cooperation between both entities in all areas and at all levels, particularly in order to progress towards finding solutions to the outstanding issues.

For its part, Russia, as one of the active participants in the Bosnian settlement, intends to continue to make an active contribution to advancing the peace process in Bosnia and Herzegovina on the basis of the implementation of the Dayton Peace Accords.

Mr. Eldon (United Kingdom): I thank you, Sir, and High Representative Petritsch for coming to brief us this morning. I have to say that, like Ambassador Chowdhury of Bangladesh, I found his contribution thoughtful, insightful and the basis for what I hope will be a stimulating continuing consideration of the complexities of Bosnia and Herzegovina by this Council.

Mr. Petritsch and his team have clearly been working hard over the last six months. The United Kingdom particularly supports his efforts to focus the agenda on economic reform and to ensure that the leadership of Bosnia and Herzegovina take real responsibility for the future of their country. That is the only sustainable way forward. The international community — as other representatives have pointed out — cannot forever take the difficult decisions in Bosnia.

That is why we share Mr. Petritsch's concern at the inability of the leadership of Bosnia and Herzegovina to

take their political responsibilities. To paraphrase him, an ethnic agenda cannot be allowed to take precedence over what is best for the people of Bosnia and Herzegovina. The lack of implementation of the New York Declaration is, frankly, depressing.

As Mr. Petritsch makes clear, there is some way to go before we can be confident of long-term stability in Bosnia. Institutional reform must be accompanied by economic restructuring and progress on human rights. I would like to address briefly some of the areas where problems remain and ask for Mr. Petritsch's views on the next steps.

First, Mr. Petritsch has expressed frustration at the Parliamentary Assembly's failure to pass the election law. We share his concerns. This is an example of a broader problem - a tendency by the collective Bosnian leadership to duck the really difficult problems, as we also saw over the border service. We are concerned that Serb obstructionism in the Constitutional Court and on the constituent peoples decision is restricting our options. I should be grateful for the High Representative's views on how this issue can be tackled.

Secondly, and as Mr. Petritsch has said, we face serious challenges on the economic front. Although the economy has registered stronger than expected rates of growth, serious underlying weaknesses remain. We must make clear to the people of Bosnia and Herzegovina that they face a serious economic downturn if structural reform is not implemented. Again, this will require difficult and sometimes courageous decisions by the Bosnian leadership. We can only hope they will face up to them.

Thirdly, we must make progress in dealing with the inheritance of war. The United Kingdom welcomes the arrest of Momcilo Krajisnik. This sends a clear message that indictees of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 should be under no illusions. They will be held to account. The United Kingdom also welcomes the increased pace of return of minority refugees and internally displaced persons this year. We hope that the new Government in Croatia will have a positive effect on regional refugee return.

We also commend the Office of the High Representative and the Independent Media Commission on their comprehensive media reform programme, particularly the successful action against the illegal broadcasts by Erotel. But we remain concerned by the continued intimidation of independent media by established Bosnian political parties.

To return to what has become a constant theme of my — and, indeed, Mr. Petritsch's — interventions, senior Bosnian political leaders should take concrete steps to fulfil their responsibilities in this regard.

Mr. Duval (Canada) (*spoke in French*): Let me at the outset welcome the High Representative, Mr. Wolfgang Petritsch, to the Council table and thank him for his important briefing to this open meeting of the Council, although it could have been in an open debate.

As was emphasized by the Ambassador of Bangladesh, this is a very important report and contains elements that are applicable to more than just Bosnia and Herzegovina. I am aware that the High Representative has just come from Ottawa, where he had very detailed and important discussions with our Minister for Foreign Affairs and our Minister for International Cooperation, as well as two Canadian parliamentary committees. In view of yesterday's very heavy Canadian agenda and the detailed talks that took place in Ottawa, I am not going to reiterate today to him the Canadian position in detail. I should simply like to assure him of the full support of Canada in his efforts to bring about lasting peace in Bosnia and Herzegovina.

I would also like to add that his focus on three priorities — economic reform, return of refugees and institutional consolidation, as presented today in his briefing — seem to Canada to be the proper course of action. We believe that these are the major challenges before the international community, and that this is where our resources must be directed.

Let me conclude my very brief statement by asking Mr. Petritsch a question. In his briefing he described a rather paradoxical political situation. On the one hand, the municipal elections in April showed that the moderate parties have increased their share of the electorate, particularly in the Federation, and that the people of Bosnia and Herzegovina seem to be getting away from ultra-nationalism. On the other hand, however, the political leaders do not seem to be adopting the more progressive, future-oriented and flexible approach taken by the electorate.

I would like to know what the High Representative and the international community can do to alleviate this

paradoxical situation and take advantage of the positive trends that are emerging among the electorate, which is moving away from ethnic issues and is focusing on issues of reconciliation. How can those positive trends be used to relaunch the political process at the State level?

Mr. Cunningham (United States of America): I also want to thank High Representative Petritsch for his briefing to us today and to welcome him back here. We applaud the fact that he has been aggressive and effective in addressing some of Dayton's most difficult issues.

We note in particular Bosnia's recent municipal elections, which were conducted peacefully despite inflammatory rhetoric from certain quarters. The results reflect some important positive trends. Bosnia is finally beginning to transcend the excessive influence of ethnicity in its political life, and we hope that the Ambassador is correct that the everyday interests of ordinary people are starting to come to the fore.

We commend High Representative Petritsch for his strong leadership and for the close and effective relationship he has forged with the Organization for Security and Cooperation in Europe (OSCE). We encourage him to continue to draw on the full authority of his office to ensure that the parties live up to their international commitments.

In that regard, I would note that for all of our success in working out the New York Declaration last November, implementation remains critical. Some of the important commitments have been carried out, but more needs to be done. It will take the active efforts of Ambassador Petritsch, Special Representative Klein and OSCE representative Robert Barry to ensure that these important commitments are respected.

As noted by Ambassador Petritsch in his comments to us today, the international community must maintain its focused attention on priority areas such as economic reform, refugee return and the consolidation of central State institutions. The Security Council itself must maintain its commitment to the peace process, including continuing our strong support for the efforts of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) to carry out its difficult and dangerous mandate.

With the help and support of High Representative Petritsch, Special Representative Klein has made important progress in strengthening Bosnia's police institutions. We welcome that, but we remain concerned about the security situation as the international community continues its more aggressive approach.

We applaud High Representative Petritsch's efforts to push the parties on economic reform. This is essential. Progress on this front is the best way to support responsible reformist leaders who have focused on peace and prosperity rather than on rekindling old hatreds.

We note also the progress that has been made in reducing defence expenditures. The positive electoral results in Croatia are accelerating this welcome development, which will help strengthen Bosnia's fiscal health and advance key common State institutions.

I want to draw special attention to the conclusion of Ambassador Petritsch's report to us today. He suggested that the tide has turned against the forces of nationalism in the Balkans, and that if we can assist the people of Bosnia and Herzegovina to live peacefully with one another again, we can achieve that goal elsewhere in the Balkans. That is a crucial point. Our aim is, and must continue to be, regional stability and peace. We must send a clear message to all, inside and outside Bosnia and Herzegovina, who would undermine this effort — the extreme nationalists, the indicted war criminals, the promoters of ethnic politics, the underground elements — that the Security Council and the international community will not be diverted and that we will not tolerate continued efforts to undermine the Dayton Agreement and, more broadly, lasting peace.

I thank Ambassador Petritsch for reminding us that the price of failure is too high.

Mr. Hasmy (Malaysia): My delegation extends a warm welcome to Ambassador Wolfgang Petritsch, the High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina. We thank him for his latest report and additional briefing to the Council. We continue to support and fully appreciate his determined efforts to ensure the full implementation of the Peace Agreement in Bosnia and Herzegovina.

There has indeed been progress in the peace implementation process, although it continues to be at a slow pace. We agree with Mr. Petritsch's assertion that the Dayton implementation process is working in spite of the slow pace.

We congratulate Bosnia and Herzegovina for the successful holding of its second municipal elections on 8

April without significant incident or disruption. We are gratified to note the relatively high voter turnout, particularly in Republika Srpska, despite calls by the Serb Radicals party for a boycott of the elections. This is not an insignificant development and is a telling blow to the extremists. This trend should be further encouraged so that the extremists can be further marginalized, if not completely isolated.

The writing on the wall is clear to the so-called nationalist groups. The people are increasingly abandoning the politics of narrow sectarianism for those of moderation. We agree that this maturing of the political process in Bosnia and Herzegovina may have wide-ranging implications for the entire Balkan region, in particular Kosovo.

Clearly much more remains to be done before peace and stability will endure in Bosnia and Herzegovina. The success of the peace process depends as much on the continued strong support of the international community as on the commitments of the Bosnian leadership and people. The continued cooperation of the people at every level is crucial for the full implementation of the Peace Agreement and the realization of the goal of a unified multi-ethnic Bosnia and Herzegovina.

It is in this context that we support the strategic concept of ownership as laid out by the High Representative. However, we continue to be concerned at the obstructionist policies and activities of certain extremist groups and individuals who are determined to undermine efforts to fully implement the Dayton Peace Agreement. Strong and specific measures may be necessary to counter such obstructionist activities.

A number of major challenges remain to be overcome. In addition to the strengthening and consolidation of common State institutions, the return of refugees and displaced persons — in particular the return of minorities — reconciliation among various ethnic groups and the overall promotion and protection of human rights, as well as economic reform, are among the main outstanding problems that have to be urgently and comprehensively addressed to facilitate the establishment of viable statehood for Bosnia and Herzegovina.

All of these require the continuing active involvement of the international community and the constructive support and cooperation of the leadership and people of Bosnia and Herzegovina. Ultimately, of course, the main responsibility for the achievement of peace and national reconciliation lies with the Bosnian leaders and the people themselves. We are of the view that the strategy being pursued is the correct one. The measures being taken in respect of the three areas outlined by the High Representative this morning with respect to economic reform, accelerated refugee return and the consolidation of institutions are commendable and should be sustained. Clearly, a fully functioning modern economy is imperative for a viable Bosnia and Herzegovina. The same is true in respect to the consolidation of its institutions.

The international community accords high priority to the return of refugees and displaced persons in all parts of Bosnia and Herzegovina. The safe return, particularly of minorities, is one of the important ingredients for lasting peace in that country. We note that minority returns took place in much greater numbers in 1999, compared to previous years. But the rate of these returns is still below expectations. We note the problems of administrative integration following return, and we hope that the implementation of the action plan of the reconstruction and return task force and the property law implementation plan, together with the improvements in other administrative matters, will address these issues, thereby encouraging more returns.

The New York Declaration, adopted by the Bosnian Presidency last November, was a landmark document that provides a road map for further progress in the peace implementation process. We note the High Representative's continuing disappointment regarding the implementation of the Declaration. We regret the fact that despite the recognized importance of the State Border Service, the law for this Service was not passed by the Parliament and had to be imposed by the High Representative. We strongly urge that the other measures embodied in the New York Declaration be implemented fully and without delay.

Finally, I would like to reiterate the special importance my delegation attaches to the work of the International Criminal Tribunal for the Former Yugoslavia in Bosnia and Herzegovina. It is a crucial and integral part of the overall reconciliation process in this country. We note the close cooperation of the Stabilization Force and the High Representative with the Tribunal and the increase in the number of recent arrests of indicted war criminals by the Stabilization Force. We are encouraged by the continuing efforts to apprehend other indictees who are still at large. We welcome the arrest of Momcilo Krajisnik and hope that the arrests of other indictees will follow soon. We encourage the Office

of the High Representative to continue to work closely with the Tribunal and to assist it in carrying out its mandate fully, with the sustained strong support of the international community.

Mr. Kuchynski (Ukraine): We thank Ambassador Petritsch for his very comprehensive briefing and the submission of the report covering the activities of the High Representative and the developments in Bosnia and Herzegovina over the last six months.

We appreciate the activities of the High Representative and his Office. We have taken note of a number of positive steps that have been achieved during the latest six months with the assistance of the Office of the High Representative in almost all areas of implementation of the civilian aspects of the Dayton/Paris Peace Agreement.

We are satisfied with the successful holding of the second municipal elections in Bosnia and Herzegovina in April, reported facts regarding the increasing use of the convertible mark and growth of foreign reserves, progress in the implementation of the ownership concept, the increase in the number of minority returns, promotion of the comprehensive judiciary reform and the establishment of judicial training.

My delegation commends the High Representative and his Office on the creation of the Brcko District of Bosnia and Herzegovina, which was officially proclaimed on 8 March 2000, and the appointment of its interim government, as well as the completion of the formation of the tri-ethnic Brcko District Police Service.

At the same time, it is obvious that the progress made by the entities in establishing their own State has been very slow and that the acts of obstruction persist. It is truly disappointing that the adoption of important legislation by the Parliament, or the elimination of persistent obstruction by entities officials of the implementation of the Peace Agreement, often requires decisive actions by the High Representative, as was the case in the imposition in January of a very important draft law on the State Border Service.

It is with regret that we learned from the report that some of the specific commitments made by the Presidency of Bosnia and Herzegovina in the New York Declaration of last November are still to be fulfilled. Specifically, these relate to the establishment of a permanent Secretariat of the Presidency, the adoption of the draft Permanent Election Law and the creation of a single national passport.

Despite the existing problems with implementation of the civilian aspects of the Dayton/Paris Peace Agreement, in our view the overall current situation in Bosnia and Herzegovina seems to be more promising than discouraging. Slowly but hopefully, the country, with the assistance of the international community, is moving forward from its recent tragic past towards a better future.

Activities of the High Representative and his Office continue to play a vital role in international efforts aimed at restoring peace and stability in this part of the Balkans. Therefore, as a member of the Peace Implementation Council and a member of the Security Council, Ukraine will continue its support for the High Representative's activities.

Finally, I would like to put a couple of questions to Mr. Petritsch on the basis of the information contained in his report.

The first question relates to the implementation of property laws. The registration of property claims is largely complete in both entities. At the same time, according to paragraph 71 of the report most claimants have still not received decisions confirming their property rights, because of the lack of political will and proper funding. Could Mr. Petritsch elaborate more on the reasons for such delays? How is the Office of the High Representative going to proceed in this situation with a view to enforcing the property laws?

My second question relates to what is being undertaken by the Office of the High Representative to eliminate discrimination against national minorities and returnees with regard to their social and economic rights, as set out in paragraph 82 of the report, and in particular with regard to the issuance of their identity cards, which give access to basic social services such as health care.

And, what are his views on the prospects for the establishment of the unified armed forces of Bosnia and Herzegovina?

Ms. Ashipala-Musavyi (Namibia): We thank you, Mr. President, for convening this meeting. We would like welcome the High Representative, Mr. Petritsch, to our midst, and we also thank him for his briefing. The excellent work that the High Representative and his

colleagues are doing in Bosnia and Herzegovina on behalf of the international community deserves our support. We believe that the Dayton/Paris Accords remain the viable mechanism for bringing peace and stability to Bosnia and Herzegovina.

We note with appreciation that, as reported by the High Representative, in November 1999 the Parliamentary Assembly adopted two essential laws: the Law on Asylum and Immigration and the Law on Refugees and Displaced Persons. In addition, we also observe with satisfaction the introduction into the legislative procedure of the Draft Permanent Rules of Procedure for Parliament, as well as the adoption by Parliament, on 13 April 2000, of the Law on the Council of Ministers.

In our view, the second municipal elections in Bosnia were among the positive developments that could not have taken place without the firm guidance and support of the Office of the High Representative and other major players involved in the implementation of the Dayton Peace Agreement.

We also regard the official proclamation of the Statute of the Brcko District as an exemplary achievement. The appointment of the interim government and District Assembly stand out as one of the practical building blocks for a future multi-ethnic and multi-religious Bosnia and Herzegovina. Indeed, the leaders in that country should set aside their political and ethnic differences and embrace the strength that they have in diversity so as to harmonize the wishes and aspirations of their people.

Against the backdrop of these positive developments, my delegation expresses its concern, in line with that of the High Representative, with respect to the little tangible progress on privatization programmes and the lack of political will from the leadership, especially the legislators in the upper House of Parliament, to get things done. We also register our concern about the application and practice of human rights and humanitarian law in the country. On balance, my delegation shares the frustration of Mr. Petritsch with the slow pace at which these issues are being considered by the leadership in Bosnia and Herzegovina.

In this context, we hope that the return of refugees and internally displaced persons to their homes and regions will provide the necessary momentum for the leaders of both entities to implement property laws throughout the country. We also hope that the implementation of the Stability Pact will help to speed up economic recovery and, as a result, create employment opportunities for the people.

Notwithstanding the problems involved in the fulfilment of the Dayton Peace Accords, we cannot fail to recognize the fact that the authorities in both entities have no meaningful alternative to cooperating with the Office of the High Representative and the international community in their quest for a comprehensive peace.

In conclusion, my delegation acknowledges the contribution of the international community, major international humanitarian institutions, the Organization for Security and Cooperation in Europe, United Nations agencies, the European Union and others to the people of Bosnia and Herzegovina.

Once again, we thank the High Representative for his very useful briefing, and Namibia wishes him well as he labours to assist the people of Bosnia and Herzegovina to realize their dreams.

Mr. Keita (Mali) (*spoke in French*): I should like to join other delegations in thanking Mr. Wolfgang Petritsch for the introduction of his very detailed report. My delegation would like to make the following comments on the question of Bosnia and Herzegovina, under consideration today.

Despite certain difficulties in their implementation, the Dayton/Paris Accords have established a sense of moral responsibility, a certain balance and a political framework guaranteeing stability and a real chance for Bosnia and Herzegovina. In this regard, the collective Presidency is required to ensure the full implementation of the Accords, showing real political will at the domestic level while seeking complementary solutions at the regional level.

My delegation welcomes the positive developments in the restructuring and modification of the mono-ethnic nature of the police force, in the creation of a stable judicial system and in the consolidation of a State based on the rule of law, all of which are essential for a truly democratic society. Real progress has been made in consolidating peace, freedom of circulation and the rebuilding of infrastructures.

However, despite the important contribution of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) to the strengthening of national identity and the mobilization of the population around a common

endeavour, we note that the initiatives are being obstructed, and the support of the Security Council for UNMIBH is absolutely essential to overcome such resistance and to change the will of the forces opposing change. The best guarantee for lasting progress and stability in the country remains economic development. My delegation therefore requests the Bosnian authorities to work at bringing about economic and structural reform and cooperate more closely with the international financial institutions, in order to speed up the process of incorporating the country into the Euro-Atlantic structures.

The activities of the United Nations institutions — the United Nations Development Programme, the United Nations Children's Fund and the United Nations Educational, Scientific and Cultural Organization — must focus on programmes to strengthen capacities and training. Many tasks remain, requiring the cooperation of all the groups concerned. We therefore believe that it is necessary to strengthen programmes for the return of refugees and to combat violence against women and children.

In conclusion, I should like to express the support of my delegation for the priorities identified by Mr. Petritsch.

Ms. Moglia (Argentina) (*spoke in Spanish*): We should like to join other delegations in thanking Mr. Petritsch for his detailed written report, as well as for the very important information that he has just presented to us in this Chamber.

While there can be no doubt that, since the signature of the Dayton Agreement, progress has been made in a number of areas, it is also undeniable that such progress has largely been due to the constant pressure exerted by the international community to overcome obstructionist activities and the lack of political will on the part of those who, for ethnic reasons, continue to oppose the existence of a single, multi-ethnic State, thereby sacrificing the efficient functioning of the institutions. In this context, we, like other delegations, believe that it is disappointing that the New York Declaration has not yet been fully implemented, as can be seen, for example, with regard to the question of the single passport, and that in other cases, such as that of the law on the State Border Service, it has been necessary to resort to strong measures in order to ensure implementation.

Among the events to which Mr. Petritsch referred in his report, we cannot fail to mention the 8 April municipal elections. The participation of 66 per cent of the electorate was an important phenomenon, as was the even higher participation in the Republika Srpska in spite of the call by radical Serbs for an election boycott. In our view, whatever the actual results of the elections, the election of municipal officials is a valuable way to familiarize the population with the functioning of democratic institutions.

With respect to the rule of law and judicial reform, matters to which Argentina attaches high priority, we were encouraged to see in Mr. Petritsch's report that there has been considerable progress in the establishment of an independent and impartial judiciary. We must also stress the great effort being made in the war on corruption.

We note that a considerable part of the report is devoted to economic matters. To be sure, economic reforms of various kinds are crucial to ensure that Bosnia and Herzegovina can be a State that is self-sustaining and hence less dependent on outside assistance.

We are pleased that throughout Bosnia and Herzegovina a greater number of members of minorities returned in 1999 than in 1998. But the conduct of some officials — who for ethnic reasons or to further their own interests thwarted the right of refugees and internally displaced persons to return to their homes — was unacceptable. Here, we would be interested to know whether, despite the difficulties that persist for those who wish to return to Croatia, there has been progress in relations between the two countries since the new Government took power in Croatia.

Miss Durrant (Jamaica): My delegation joins in welcoming the High Representative for the Implementation of the Peace Agreement in Bosnia and Herzegovina. We wish to thank him for his very enlightening briefing. We also found his report to the Secretary-General extremely useful and informative.

While we appreciate that there have been several positive developments, it is clear that much remains to be done. In his statement to the Council last November the High Representative focused, *inter alia*, on the issues of property, the development of election law and common institutions, and their implications for the promotion of the national interests of a sovereign State. Today he drew our attention to the areas of economic reform, the acceleration of the return of refugees and displaced persons, and the consolidation of institutions.

When looked at as a whole, Mr. Petritsch's two presentations and his written reports indicate that the

Office of the High Representative and other organizations responsible for the implementation of the Dayton accords are faced with monumental challenges, particularly as they relate to entrenching a multi-ethnic society with multi-ethnic institutions. My delegation fully recognizes that success is contingent upon the cooperation of the people of Bosnia and Herzegovina and their leaders, as well as on the continued commitment and support of the international community. We therefore need to re-emphasize our expectation that the political will expressed at Dayton will be followed up in practice.

My delegation believes that peace and stability in Bosnia and Herzegovina are inextricably linked to peaceful coexistence and reconciliation. Without these, efforts at long-term sustainable economic development will not succeed. The implementation of the New York Declaration of 15 November 1999 is, in my delegation's view, central to the process currently under way in Bosnia and Herzegovina. In that declaration, commitment to the Dayton-Paris accords was reaffirmed, as was commitment to the establishment of a permanent election law and to the creation of a national passport and of the framework for the State Border Service. We note that some efforts have been undertaken in respect of the permanent secretariat. Regrettably, there has been limited progress in other areas; indeed, the implementation of the State Border Service had to be imposed in January by the Office of the High Representative.

My delegation would wish to hear more about the laws on asylum and immigration and on refugees and displaced persons that were passed by the Parliament in November 1999. And we ask whether these laws have contributed to the development of a proper legal framework on refugees and displaced persons.

My delegation is pleased that the second municipal elections were held, as scheduled, in April. This should have a positive impact on the democratic process in Bosnia and Herzegovina, and should increase the accountability of politicians to the electorate. This, we hope, will lay the groundwork for the eventual development of a multi-ethnic national government.

We believe that the consolidation of efficient State institutions is of fundamental importance to the long-term development of Bosnia and Herzegovina, and we are therefore concerned at the slow pace of the adoption of legislation, as noted in the High Representative's report.

Jamaica continues to attach importance to the rule of law and judicial reform. There have been positive developments in judicial reform, particularly the move towards the creation of an independent and impartial judiciary through the completion of laws regulating the selection of judges and prosecutors. The cooperation of all the relevant domestic organs in Bosnia and Herzegovina is of critical importance in these reform efforts. Training is also important and must be one of the pillars of judicial reform. In this regard, we note the efforts of the Office of the High Representative to promote the establishment of a nationwide structure for judicial training, and we would be interested in hearing more about the work of the joint advisory board which was formed under the auspices of the Council of Europe in February of this year.

We believe that judicial reform and the restructuring of the police force are linked. In order to effectively promote the rule of law, the judiciary and the police force must work in tandem. It is therefore encouraging to note that there has been movement towards a multi-ethnic police force, as we were advised at the open briefing of the Council in March. These efforts must continue. At the same time, the issues of trafficking in persons and of domestic violence have to be forcefully addressed.

My delegation also wishes to emphasize the importance that we attach to the cooperation between the Office of the High Representative and the International Criminal Tribunal for the former Yugoslavia. This has resulted in the apprehension of several individuals. We hope that the lack of funding will not delay action on missing persons and on exhumations.

It is encouraging to note that the rate of minority returns has increased. We recognize the efforts that are being made to create the conditions necessary for the reintegration of refugees and returnees. One example is the property law implementation plan launched in October 1999. We urge that efforts at depoliticization of the process continue, and we commend the Office of the High Representative, the Office of the United Nations High Commissioner for Refugees and the United Nations Mission in Bosnia and Herzegovina, among others, for their work in seeking to remove impediments to the return and reintegration of refugees and internally displaced persons.

We are, however, concerned at reports of obstruction to minority returns and urge the Office of the High Representative to continue to target political

interventions to unlock refugee potential. The establishment of effective mechanisms that will allow returnees to restore their property and occupancy rights and their access to personal documents is essential and should be actively pursued. The inclusion of returnees in reconstruction programmes in a non-discriminatory manner must also remain a priority.

As the High Representative reminded us, jobs and a secure economic future are increasingly important issues for the ordinary citizens of Bosnia and Herzegovina. It is therefore of concern to my delegation that problems of unemployment, education and administrative integration remain, and we hope that these will be actively addressed in the coming months. Programmes of capacity-building and technical assistance will undoubtedly be useful in helping returnees and internally displaced persons to integrate.

We were interested to learn from the Secretary-General's latest report that the United Nations Development Programme has been seeking to secure funds to support a three-year framework for capacity-building and technical assistance and has also been involved in the village employment and environment programmes. We would appreciate hearing from the High Representative about progress in capacity-building, as we believe that this will be the only real foundation for the creation of an enabling environment.

Finally, my delegation wishes to express its support for the work of the High Representative, the United Nations and other organizations in Bosnia and Herzegovina and we encourage them to continue their efforts to restore peace and stability and to promote sustainable development.

The President (*spoke in Chinese*): I shall now make a statement in my capacity as the representative of China.

Like all members of the Council, the Chinese delegation wishes to thank Mr. Petritsch for his detailed briefing. We have noted that, since the end of last year, the situation in Bosnia and Herzegovina has steadily improved. The municipal elections held in early April proceeded smoothly, by and large. Overall economic reconstruction in Bosnia and Herzegovina has also met with some measure of success. All this is the result of the efforts made by the people of Bosnia and Herzegovina and is also closely linked to the support of the international community.

We have also taken note of the fact that the building of national institutions has been progressing very slowly and that national reconciliation has encountered many obstacles and difficulties. The solution of these problems requires long-term and tireless efforts from the parties in Bosnia and Herzegovina and from the international community. In this context, the international community should focus its efforts more closely on realities in that country in an attempt to assist its people to realize their autonomy and independence.

I now resume my functions as President of the Security Council.

I call on Mr. Petritsch to respond to comments and questions raised.

Mr. Petritsch: I greatly appreciate the support expressed by the representatives of the Security Council here today and I consider it to be very important encouragement for our work in Bosnia and Herzegovina.

There were a number of questions asked and I should like to undertake to answer them.

There was first a suggestion on the part of the representative of France with regard to the format of the reporting to the Security Council. First of all, I need to say that, of course, the report has been complemented by my presentation today. Secondly, I consider this a very pertinent and important suggestion which we will look into, since, as I expressed in my presentation, we are now engaged in an effort to streamline the agenda by having adopted three priority areas. We might as well follow this streamlining in our reporting technique.

In regard to the questions asked by the French representative, I should like to answer as follows. When we talk about drawing distinctions, I believe it is important to point out that what we are trying to achieve in the field of economic reform is pertinent to this. This is a separation of the economy from political influence. This is the development of an attractive business climate. Of course, the privatization process must be conducted in a transparent manner and the creation of an institutional framework is necessary for a modern market economy, as is a judiciary framework, which we need to pay attention to. In short, what we are looking for is a system wherein the economic regulation, the regulatory system, is in place in regard to bank supervision, tax reform and enforcement, to give just a few examples.

Regarding the prospects for the fall elections, I should just like to say that I am expecting further progress in terms of people realizing how important the bread-and-butter issues of their daily life are, as opposed to the ethnic agenda that was put forward far too many times in the past. I also expect from the election that a new generation of politicians is going to enter politics in Bosnia and Herzegovina. There is concrete hope for a generational change, for an infusion of fresh blood into Bosnian politics.

Now, when it comes to reinforcing cohesion in politics in the system of Bosnia and Herzegovina, I believe that we need also to look at some of the issues of reconciliation. I believe that this will add to the cohesiveness of society. The arrest of war criminals and education reform need to be pushed much harder than they have been so far. This is, of course, a long-term project, but it is a necessary one. We have started to develop core curriculums to see to it that the nature of multi-ethnicity is represented in the schools, the school books and so on.

The return of refugees and displaced persons is also, of course, adding to the cohesiveness of society. Above all, there is, again, economic growth, which will contribute to a making a more prosperous country, to the fact that the people of Bosnia and Herzegovina will realize that they have a stake in this process: economic and social prosperity. Then, too, there is tolerance — coexistence as a first and realistic step towards a better future there.

By this, I do hope that I have also answered the question posed by the representative of Canada as well as one that was asked by the representative of the United Kingdom.

Now, in regard to the question on the election law posed by the representative of the United Kingdom, the status of the discussions on the election law is such that we will, immediately after the Peace Implementation Council at the end of this month, revisit the issue and see to it that the State Parliament of Bosnia and Herzegovina takes on this issue. The next elections this fall will, however — according to this new election law, which, as we know, has not been adopted by the State Parliament — be conducted according to the provisional rules and regulations of the Organization for Security and Cooperation in Europe (OSCE), which, most likely, pending the decision of the Permanent Council this coming 11 May, will be conducted, organized, supervised and financed by the OSCE. Again, I have to underline that this is a decision still ahead of us in the Permanent Council.

Turning to other questions posed by Canada in regard to the support for voters to move away from nationalism, I think that three points have to be made in this context.

First, elections are important. We need to exploit the election opportunities. We need to point out to the people time and again that change is possible and that democratic change is being brought about by elections.

Secondly, we need to emphasize economic reform. This is what I would call economic empowerment. People want jobs and opportunities for themselves and for their children, and we at the Office of the High Representative, we the international community, need to ally with the people of Bosnia and Herzegovina in insisting that the leaders take responsibility for economic reform. It is important for the international community, with regard to economic reform, to maintain conditionality.

Thirdly and lastly, I believe that public diplomacy could be very supportive. We have initiated some programmes to support and encourage domestic journalism to be more forthcoming when it comes to getting and telling the story as it is. Investigative journalism is very important in this context. We need to stress the importance of independent media, particularly in a country where the media played such a terrible role in the course of the war.

Let me now turn to the questions posed by the representative of Ukraine.

First, with respect to military reform, I believe it important to stress that the perspective of unified armed forces in Bosnia and Herzegovina is a long-term one. We need a longer-term perspective. Factually and basically, the armed forces in Bosnia and Herzegovina still consist of three groups. We need to consolidate them.

I believe it is also important to stress the aspect of human security. We need to put this into place. It is, of course, a gradual process, in which the institution of the Standing Committee on Military Matters, a common institution at the State level, is playing a key role.

Finally, we need to reduce military spending. We are now in the process of a 15 per cent reduction in terms of units and budget, which will go on through next year as well. In this context, I should like to point out that the new Government in Zagreb was extremely

helpful in getting more transparency into external support — Croatian support — for the military in Bosnia and Herzegovina. This is a very welcome addition to our efforts in Bosnia and Herzegovina.

Last year, as I have mentioned, I imposed property laws. This year we are actively pursuing their implementation, and so far we have seen quite good progress. But there is still some obstruction, and I am, of course, prepared to remove officials who obstruct this process. This is an absolutely necessary precondition in order to facilitate and improve on our performance in refugee return.

Some donors, particularly the United States, have given money in order to strengthen the local capacity to implement the property laws. This is a very welcome addition to our efforts. I should like to point out that over the past few months, as a measure, the housing offices in the communities all have been reinforced by an international representative. There are more than 150 housing offices throughout Bosnia and Herzegovina. They are the ones who facilitate property legislation and thus refugee return. Each has now been beefed up with an international representative, who is seeing to it that the laws are being implemented properly.

The next point raised by Ukraine was the prevention of social and economic discrimination against returnees with respect to identity cards. We at the Office of the High Representative are pursuing a policy aimed at ensuring the full enforcement of laws regardless of the ethnic background of the persons concerned. We have intervened to force the issuance of documents when local authorities refuse to do so. I will give just one example of the way we are reacting to refusal or non-compliance: just a few months ago, I removed the Minister of the Interior of canton 10 in part because of his refusal to apply the law equally and to protect all the people.

Finally, I should like to add that the Stability Pact focuses on regional return. We have established a very close working relationship with the Pact, which is basically following our practice of refugee return implementation. I can assure the Council that we have established an excellent relationship. I am confident that the Stability Pact will add to our efforts in the region, because refugee return is not a question that can be resolved within one country only, such as Bosnia and Herzegovina. We need to keep in mind the whole region of South-Eastern Europe.

In response to the question posed by Ukraine as to social and economic rights, let me say that we are working on this also in terms of accessing pensions and securing employment. We are also trying to eliminate discrimination against minorities and returnees when it comes to some of the utility companies in Bosnia and Herzegovina.

Now, finally, let me come to the delegate from Jamaica. These are of course highly technical issues that you have raised. I can say that with regard to the laws on asylum and immigration that were passed last November, these contribute remarkably and substantially to our overall efforts to regulate these issues. It might be of interest to you to note that Bosnia and Herzegovina, which — if I may say so — is basically a contributor to emigration, has in the course of the past year taken in refugees from Kosovo.

Regarding the judicial training, the joint advisory board that was formed by agreement at the meeting of the Council of Europe in Strasbourg in February of this year, as the delegate of Jamaica has pointed out, is a very important contribution and active support on the part of the Council of Europe to try to accelerate progress in the area of social and economic rights in Bosnia and Herzegovina. .

I might also note that we are now in the process of getting Bosnia and Herzegovina closer to accession to the Council of Europe. I do hope and I am confident that the three basic conditions that were set two years ago will be met in the course of the next month by the authorities of Bosnia and Herzegovina. This would basically give the green light for entry into the Council of Europe — a very important step towards European integration for Bosnia and Herzegovina.

I would like to close by again thanking the Security Council and you, Mr. President, for having been such an attentive audience here. I would like to thank the Council also for the support it has expressed. This is what we need in our work in Bosnia and Herzegovina.

The President (*spoke in Chinese*): I thank Mr. Petritsch for the clarifications and answers he has provided.

There are no further speakers inscribed on my list. The Security Council has thus concluded the present stage of its consideration of the item on its agenda.

The meeting rose at 1.35 p.m.